

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

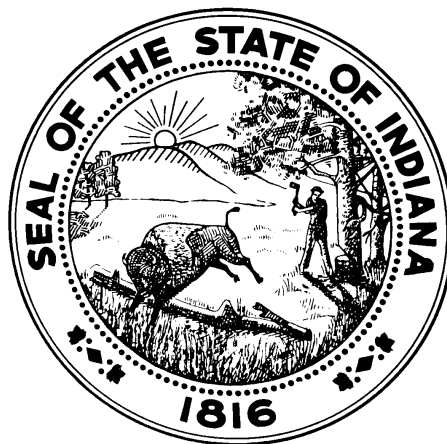
EXAMINATION REPORT

OF

TOWN OF ENGLISH

CRAWFORD COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
07/08/2008



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wayne Carothers	01-01-04 to 12-31-11
President of the Town Council	Michael E. Benham	01-01-06 to 12-31-08
Town Manager	Michael Huddleston	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE TOWN OF ENGLISH, CRAWFORD COUNTY, INDIANA

We have examined the financial information presented herein of the Town of English (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 19, 2008

TOWN OF ENGLISH  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 118,037	\$ 135,515	\$ 125,653	\$ 127,899
Motor Vehicle Highway	12,619	24,584	22,095	15,108
Local Road and Street	7,561	2,898	2,069	8,390
Park and Recreation	4,921	-	638	4,283
Law Enforcement Continuing Education	455	101	-	556
Riverboat Gaming Revenue	54,499	59,567	34,386	79,680
Rainy Day	85	-	-	85
Cemetery	42,125	1,215	420	42,920
Revolving Loan	68,737	3,663	162	72,238
Relocation Project	16	-	-	16
Economic Development Income Tax	38,830	21,539	7,798	52,571
Cumulative Capital Development	16,355	4,551	-	20,906
Proprietary Funds:				
Water Utility - Operating	1,754	440,595	411,623	30,726
Water Utility - Customer Deposit	9,740	700	200	10,240
Water Utility - Bond and Interest	46,362	73,834	71,423	48,773
Water Utility - Depreciation	94,249	2,196	-	96,445
Water Utility - Debt Service Reserve	27,606	-	-	27,606
Water Utility - Construction	39,600	21,600	-	61,200
Wastewater Utility - Operating	9,627	144,456	149,397	4,686
Wastewater Utility - Customer Deposit	7,650	700	150	8,200
Wastewater Utility - Bond and Interest	12,370	54,000	53,125	13,245
Wastewater Utility - Depreciation	118,015	59,672	43,857	133,830
Wastewater Utility - Debt Service Reserve	51,090	26,236	20,000	57,326
Wastewater Utility - Construction	50,479	1,036	-	51,515
Fiduciary Fund:				
Payroll	3,714	79,354	83,068	-
Totals	<u>\$ 836,496</u>	<u>\$ 1,158,012</u>	<u>\$ 1,026,064</u>	<u>\$ 968,444</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 127,899	\$ 101,115	\$ 113,396	\$ 115,618
Motor Vehicle Highway	15,108	24,092	22,223	16,977
Local Road and Street	8,390	3,259	2,389	9,260
Park and Recreation	4,283	-	327	3,956
Law Enforcement Continuing Education	556	210	-	766
Riverboat	79,680	59,013	45,153	93,540
Rainy Day	85	4,724	-	4,809
Cemetery	42,920	1,613	349	44,184
Revolving Loan	72,238	725	54	72,909
Relocation Project	16	-	-	16
Economic Development Income Tax	52,571	21,307	7,750	66,128
Cumulative Capital Development	20,906	2,369	-	23,275
Proprietary Funds:				
Water Utility - Operating	30,726	429,023	427,919	31,830
Water Utility - Customer Deposit	10,240	1,600	800	11,040
Water Utility - Bond and Interest	48,773	37,160	35,367	50,566
Water Utility - Depreciation	96,445	2,569	8,500	90,514
Water Utility - Debt Service Reserve	27,606	-	-	27,606
Water Utility - Construction	61,200	21,600	2,500	80,300
Wastewater Utility - Operating	4,686	152,440	141,805	15,321
Wastewater Utility - Customer Deposit	8,200	1,550	800	8,950
Wastewater Utility - Bond and Interest	13,245	54,000	52,405	14,840
Wastewater Utility - Depreciation	133,830	22,671	14,164	142,337
Wastewater Utility - Improvement	57,326	7,733	-	65,059
Wastewater Utility - Construction	51,515	829	-	52,344
Totals	<u>\$ 968,444</u>	<u>\$ 949,602</u>	<u>\$ 875,901</u>	<u>\$ 1,042,145</u>

The accompanying notes are an integral part of the financial information.

TOWN OF ENGLISH  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, public improvements, culture and recreation, planning and zoning, general administrative services, water, wastewater and urban redevelopment and housing.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF ENGLISH  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 25,234
Buildings	42,400
Improvements other than buildings	13,805
Machinery and equipment	<u>85,174</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 166,613</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,000
Buildings	76,485
Improvements other than buildings	1,537,762
Machinery and equipment	<u>172,101</u>
Total Water Utility capital assets	<u>1,788,348</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	26,900
Buildings	752,927
Improvements other than buildings	2,029,446
Machinery and equipment	<u>1,313,986</u>
Total Wastewater Utility capital assets	<u>4,123,259</u>
Total business-type activities capital assets	<u>\$ 5,911,607</u>



TOWN OF ENGLISH  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Capital leases:		
Case backhoe	\$ 26,300	\$ 9,472
Notes and loans payable	<u>65,931</u>	<u>35,439</u>
Total Water Utility	<u>92,231</u>	<u>44,911</u>
Wastewater Utility		
Revenue bonds:		
1994 Sewage works revenue bonds	<u>793,000</u>	<u>52,685</u>
Total business-type activities debt:	<u><u>\$ 885,231</u></u>	<u><u>\$ 97,596</u></u>

TOWN OF ENGLISH  
EXAMINATION RESULTS AND COMMENTS

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2007, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

HYDRANT RENTAL RECEIVABLE (PAYABLE)

The Town of English owes the English Water Utility hydrant rental of \$53,299 as of December 31, 2007. This amount has been accumulated from prior years, and is owed pursuant to rates approved by the Indiana Utility Regulatory Commission on May 8, 1991, and rate ordinances 1997-10 and 1999-11 approved by the Town Council on December 30, 1997 and December 16, 1999, respectively. The Town has made current payments for the past several years and has been making payments on the delinquent amount in a systematic manner.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF ENGLISH  
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2008, with Michael E. Benham, President of the Town Council; and Wayne Carothers, Clerk-Treasurer. The officials concurred with our findings.